<u>REMARKS</u>

Claims 1-45 and 47-68 are pending in this application. Claims 1, 20, 41, 50-54 and 61 are independent.

Claims 41-49 and 52 are allowed. Claims 6 and 26 are objected to as being dependent upon a rejected base claim but would be allowable if rewritten in independent form. Applicants wish to take this opportunity to thank the Examiner for the indication of allowable subject matter.

By this Amendment, Applicants have amended claims 1, 20, 50, 51, 53, 54 and 61, canceled claims 23 and 26 and added new claims 69 and 70. Reconsideration of the above-identified application in view of the foregoing amendments and the following remarks is respectfully requested.

Rejections Under 35 U.S.C. § 102 & §103:

Claims 1, 3-5, 7, 9, 10, 20, 23-25, 27, 29 30, 50, 51 and 53 were rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,484,011 to Thompson et al. ("Thompson"). Claims 1, 20, 50, 51 and 53 are independent.

Claims 1, 50 & 53

Applicants' invention, as defined by amended claim 1, is directed to a method of advertising to a user of a terminal, comprising: displaying content on a bistable display; transmitting, from the terminal, an indication of user inactivity; receiving an advertisement via one of an Internet or a digital video broadcast network; displaying the advertisement on the display; and removing power to the display, wherein the advertisement remains on the display after power has been removed.

In one embodiment of the present invention, a user terminal transmits a message to a server indicating that there has not been any user activity with respect to content for a predetermined period of time. In response, the terminal receives an advertisement from the server for display to the user.

In Thompson, although "the annunciator 10 is programmed so that an advertisement is displayed on screen 14 when the annunciator 10 is not being used or is otherwise in a quiesent state", there is no teaching or suggestion in Thompson of "transmitting, from the terminal, an indication of user inactivity", as required by amended claim 1. In addition, Applicants respectfully submit that the foregoing amendment is non-narrowing because it merely makes explicit what was implicit in claim 1.

Accordingly, Applicants respectfully submit that amended claim 1 is not anticipated by Thompson. Claims 50 and 53, as amended, contain limitations similar to those found in claim 1, and thus, are allowable for at least the same reasons.

Additionally, Applicants note that the amendments to claims 1, 50 and 53 are non-narrowing because they merely make explicit what was already implicit in each of those claims.

Claims 20 and 51

Applicants' invention, as defined by amended claim 20, is directed to a method of advertising to a user of a mobile terminal comprising: receiving an advertisement at the time of downloading content; displaying content on a bistable display, wherein the content is a page of an electronic book; detecting a page turn; detecting user inactivity with respect to the content, wherein the period of user inactivity begins with the time of the page turn and ends a

predetermined time later; displaying the advertisement on the display; and removing power to the display, wherein the advertisement remains on the display after the power has been removed.

Applicants have amended claim 20 to include features previously found in claim 26, which was objected to but indicated as allowable if rewritten in independent form. Accordingly, Applicants respectfully submit that claim 20, as amended, is allowable. Claim 51, as amended, contains limitations similar to those found in claim 20, and thus, is allowable for at least the same reasons.

Claims 54, 56, 60, 61, 62 and 64 were rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,804,659 to Graham ("Graham"). Claims 54-56, 60-64 and 68 were rejected under 35 U.S.C. §103 as being unpatentable over Thompson in view of Graham. Claims 54 and 61 are independent.

Claims 54 and 61

Applicants' invention, as defined by amended claim 54, is directed to a method of advertising to a user of a terminal having a bistable display, comprising: storing content; storing advertisements linked to the stored content; receiving a request for content from the user terminal; transmitting the requested content to the user terminal; receiving an indication of user inactivity from the user terminal with respect to the requested content; selecting an advertisement linked to the requested content; and transmitting the selected advertisement to the user terminal for display.

For reasons similar to those discussed above in urging the allowance of claim 1, Applicants respectfully submit that Thompson fails to teach or suggest the feature of "receiving an indication of user inactivity from the user terminal with respect to the requested content", as required by amended claim 54. Moreover, Graham likewise fails to disclose this feature of amended claim 54.

Accordingly, Applicants respectfully submit that claim 54, as amended, is neither anticipated by nor rendered obvious in view of Thompson and Graham either alone or in combination. Claim 61, as amended, contains limitations similar to those found in claim 54, and thus, is allowable for at least the same reasons.

Dependent Claims:

Applicants do not believe it necessary at this time to address the rejections of the dependent claims as Applicants believe that the foregoing arguments and amendments place the independent claims in condition for allowance. Applicants, however, reserve the right to address those rejections in the future should such a response be deemed necessary and appropriate.

New Claims:

Applicants have added new claims 69 and 70 directed to subject matter believed to be patentable. For example, claim 69 includes the feature of "storing one or more advertisements pre-identified for presentation to the user when particular content is requested". In contrast, in Graham, advertisements are selected for display to a user at the time the content is viewed based on information such as words in the content being viewed, a user profile and an advertiser profile. Moreover, as noted by the Examiner, Thompson does not even disclose storing advertisements linked to the stored content. Accordingly, Applicants respectfully submit that claim 69 is allowable. Claim 70 depends on claim 69 and is allowable for at least the same reasons.

* * *

For the above-stated reasons, this application is respectfully asserted to be in condition for allowance, and an early and favorable examination on the merits is respectfully requested.

AUTHORIZATION

The Commissioner is hereby authorized to charge any additional fees which may be required by this response, or credit any overpayment to Deposit Account No. 13-4500, Order No. 4208-4014. A DUPLICATE COPY OF THIS PAPER IS ATTACHED.

In the event that an extension of time is required, or which may be required in addition to that requested in a petition for an extension of time, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 13-4500, Order No. 4208-4014. A DUPLICATE COPY OF THIS PAPER IS ATTACHED.

Respectfully submitted,

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Dated: September 9, 2005

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